

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop
Additional Methods to Implement the California
Renewables Portfolio Standard Program.

Rulemaking 06-02-012
(Filed February 16, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING COMMENTS ON STAFF WHITE PAPER ON RENEWABLE
ENERGY CERTIFICATES AND THE CALIFORNIA RENEWABLES
PORTFOLIO STANDARD PROGRAM**

The Division of Strategic Planning staff has issued a white paper, "Renewable Energy Certificates and the California Renewables Portfolio Standard Program" (white paper). A Notice of Availability of the white paper is attached as Attachment A.

Comments from parties in Rulemaking (R.) 06-02-012 and R.06-03-004 on the white paper are requested.¹ Comments may address any issues raised in the white paper. It is anticipated that parties will have an additional opportunity to comment on the possible use of tradable renewable energy credits (RECs) (as defined in note 1 in the Executive Summary of the white paper) later in this proceeding. At this time, comments on the following topics would be particularly relevant:

1. Whether firmed and/or shaped products (as defined in Appendix A of the white paper) for RPS-eligible generation are currently commercially available to California load serving entities (LSEs) obligated under the RPS.

¹ Because the white paper addresses issues of interest to parties in R.06-03-004 as well as in R.06-02-012, this ruling is being sent to the service list in both proceedings.

- a. If such products are commercially available, the extent of the availability and the general terms on which they are available.
 - b. If such products are not commercially available, the circumstances (if any) under which they could become commercially available.
2. Should the Commission adopt the use of “unbundled RECs” (as defined in note 1 in the Executive Summary of the white paper) for RPS compliance?
- a. If the Commission were to adopt the use of unbundled RECs, how should the unbundled RECs (sold separately from the commodity energy) be reported in the LSE’s compliance reporting to this Commission?
 - b. If the Commission were to adopt the use of unbundled RECs, how should the unbundled RECs be reported to the California Energy Commission for verification purposes?
 - c. If the Commission were to adopt the use of unbundled RECs, how should purchases of unbundled RECs be treated for purposes of the application of the RPS market price referent? (See Pub. Util. Code § 399.15.)
 - d. If the Commission were to adopt the use of unbundled RECs, should it also adopt contracting requirements for the purchase of unbundled RECs (e.g., an obligated LSE must contract with an eligible generator for the purchase of unbundled RECs for a minimum period of years)?
 - e. If the Commission were to adopt the use of unbundled RECs, should all RPS-obligated LSEs be able to make unlimited use of unbundled RECs for RPS compliance? If the Commission should adopt some limits on the use of unbundled RECs for RPS compliance, what should those limits be?

Comments of not more than 25 pages must be filed and served not later than May 24, 2006. Reply comments of not more than 15 pages must be filed and served not later than June 7, 2006.

Parties in R.06-02-012 and R.06-03-004 may file and serve comments on the white paper, but the comments and reply comments *must be filed in R.06-02-012 only*. Comments and reply comments *must* be served on the service list in R.06-02-012; they may also be served on the service list in R.06-03-004. Any party in R.06-03-004 filing comments on the white paper and not already a party in R.06-02-012 will be added to the Information Only section of the service list for R.06-02-012.

IT IS RULED that:

1. Comments of not more than 25 pages on the staff white paper, “Renewable Energy Certificates and the California Renewables Portfolio Standard Program” must be filed and served not later than May 24, 2006.
2. Reply comments of not more than 15 pages must be filed and served not later than June 7, 2006.
3. Parties in Rulemaking (R.) 06-03-004 not already parties in R.06-02-012 may file and serve comments and/or reply comments.
4. All comments and reply comments must be filed in R.06-02-012 only and must be served on the service list for R.06-02-012. Comments and reply comments may also be served on the service list in R.06-03-004.
5. Any party in R.06-03-004 filing comments on the white paper and not already a party in R.06-02-012 shall be added to the Information Only section of the service list for R.06-02-012.

Dated April 20, 2006, at San Francisco, California.

/s/ ANNE E. SIMON

Anne E. Simon
Administrative Law Judge

Attachment A

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Rulemaking 06-02-012
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NOTICE OF AVAILABILITY

The Division of Strategic Planning staff has issued a white paper, "Renewable Energy Certificates and the California RPS" (white paper). The white paper was made available on April 20, 2006 at http://www.cpuc.ca.gov/word_pdf/REPORT/55606.doc. Drawing on experience in California and other states, the white paper examines policy and practical issues that may be involved in using unbundled and/or tradable renewable energy certificates for compliance with the California Renewables Portfolio Standard program.

Any recipient of this Notice of Availability who is not receiving service by electronic mail in this proceeding or who is unable to access the link to the Commission's web site given above may request a paper copy of the white paper from the Commission's Central Files Office, at (415) 703-2045; fax number (415) 703-2263; e-mail cen@cpuc.ca.gov.

Dated April 20, 2006, at San Francisco, California.

/s/ ANNE E. SIMON

Anne E. Simon
Administrative Law Judge

(End Attachment A)

R.06-02-012 AES/jt2

(End Attachment A)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requesting Comments on Staff White Paper on Renewable Energy Certificates and the California Renewables Portfolios Standard Program on all parties of record in this proceeding or their attorneys of record.

Dated April 20, 2006, at San Francisco, California.

/s/ JOYCE TOM

Joyce Tom

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.